

FISCAL IMPACT STATEMENT ON BILL NO. **S820**

(Doc. No. 22919ssp07.doc)

TO:	The Honorable Hugh Leatherman, Chairman, Senate Finance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Allan Kincaid and Beth Quick		
DATE:	February 11, 2008	SBD:	2008041

AUTHOR:	Senator Knotts	PRIMARY CODE CITE:	25-11-100
SUBJECT:	\$500 Bonus to Veterans Returning Home		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

The proposed Bill amends the Code of Laws of South Carolina, 1976, by adding Section 25-11-100 so as to provide a bonus to veterans returning home from active duty service as a result of the September 11, 2001, terrorist attacks and to provide that the bonus amount is equal to five hundred dollars.

EXPLANATION OF IMPACT:

Governor's Office – Office of Veterans' Affairs

The Office estimates 39,609 members of the active duty armed forces, South Carolina National Guardsmen, and South Carolina Reserve Armed forces have been called to active duty and served more than 30 days since September 11, 2001. The Office also projects that approximately 5,659 personnel will be called up each of the next three years. All of these veterans would qualify based on the last sentence of the Bill which states "Eligible active duty includes any active duty since September 11, 2001". Assuming all 39,609 members apply for the \$500 bonus the first year, there will be a one-time cost to the General Fund of the State of \$19,804,500. Thereafter, it is estimated there would be an annual cost of \$2,829,500. Total impact over a four year period is estimated at \$28.3 million. This impact statement does not consider any future costs beyond this time period related to the deployment of additional members of the military.

The Office has determined that in order to research and process this number of applications in one year will require thirteen additional positions at a cost of \$469,276 with one-time cost of \$62,626 for the purchase of office furniture and computers. In subsequent years, the number of positions could potentially be reduced to four at an annual cost of \$182,500. Therefore, first year cost can be estimated at \$20,336,402 while costs annually thereafter can be estimated at \$3,012,000.

Approved by:



Harry Bell
Assistant Director, Office of State Budget